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No. 3477—III-MSME(DPEM)-42/2014-MSME.

GOVERNMENT OF ODISHA

**MSME DEPARTMENT**

RESOLUTION

The 19th June 2014

SUBJECT— Rules of Rate Contact with Micro and Small Enterprises of Odisha, 2014 registered with the Directorate of E.P. & M., Odisha.

In accordance with Industrial Policy Resolution 2007 & Odisha MSME Development Policy 2009 the following Rules of Rate Contact with Micro and Small Enterprises of Odisha, 2014 registered with the Directorate of E.P. & M., Odisha are made. These rules will supersede the rules of Rate Contact Resolution dated the 19th November 2003 circulated by Industries Department.

ORDER—Ordered that the Resolution be published in the extraordinary issue of the *Odisha Gazette* and copies thereof be forwarded to all Departments of Government and all Heads of Departments and Accountant-General, Odisha.

By order of the Governor

P. DASH

Secretary to Government

# RULES FOR RATE CONTRACT WITH THE MICRO AND SMALL ENTERPRISES OF ODISHA REGISTERED WITH THE DIRECTORATE OF E.P. & M., ODISHA

## CHAPTER - I

### 1. TITLE

These rules may be called the Rules for Rate Contract with Micro and Small Enterprises of Odisha, 2014 registered with the Directorate of E.P. & M., Odisha. They shall come into force on the date of their publication in the Official Gazette.

### 2. REPEAL AND SAVINGS

The Rules, instructions and orders corresponding to these rules and in force immediately before the commencement of these rules are hereby repealed :

Provided that Rate Contract made and remaining operative till the date of enforcement of these rules shall be deemed to have been made under these rules :

Provided further that actions taken for invitation of tenders/offers from Micro and Small Enterprises for determination of rates or conclusion of Rate Contract under the rules, instructions or orders in force prior to enforcement of these rules shall be deemed to have been taken under these rules. Units registered as SSIs earlier will be considered as MSEs.

### 3. DEFINITIONS

In these rules, unless there is anything repugnant in the subject or context —

(a) 'Appointed day' means the day following immediately after the expiry of the period of thirty days from day of acceptance or the day of deemed acceptance of any goods/services by an Indenting Officer from a contractor/MSE :

Explanation : The 'day of acceptance' means the day of actual delivery of goods/ service provided.

(b) 'Contractor' means the Micro & Small Enterprises with whom the contract is made for supply of store(s)/provide service at a price determined by the Director and includes his heirs, executors, administrators or successors and permitted assignees, as the case may be.

(c) 'Director' means the Director of Export Promotion and Marketing, Odisha.

(d) 'Directorate' means the Directorate of Export Promotion and Marketing, Odisha.

(e) 'Inspecting Officer' means the Inspecting Officer of Inspection Wing of the Directorate of Export Promotion and Marketing or any technically sound and qualified person duly authorized by the Director for any specific purpose of inspection.

(f) 'Indenting Officer' means the Officer of State Government/Statutory Corporations/ Statutory Boards/State Owned Corporations/Companies/Universities/Municipalities/Notified Area Councils/Regional Development Authorities/Co-operative Societies/Government Agencies and State Aided Institutions placing orders for providing services/supply of store(s) with the contractor.

(g) 'Offerer/Tenderer' means Micro and Small Enterprises registered with Directorate of Export Promotion & Marketing, participating in the offer/tender called for by the Director.

(h) 'Offer Notice/Tender Notice' means an invitation to Micro and Small Enterprises to offer their prices of store(s)/services presented through material analysis and cost analysis and refer to the sale price claimed as per cost analysis report vide Schedule-III.

(i) 'Period of Contract' means the period for rate contract which shall be normally for a period of one year from the date of notification of such rate contract by the Directorate and shall be deemed to be valid subsequently for another one year or till the finalization of next rate contract by fresh offer/tender whichever is earlier.

(j) 'Rate Contract' means submission of offer/tender instruction issued to Offerers/ tenderers, fixation of the final contract rate, acceptance of rate, general and special conditions specified in the offer notice/tender notice and in the acceptance of offer/tender and the conditions of contract.

(k) 'Rate' means the final price of services at worksite basis and of the store(s) on ex-factory basis/FOR basis as the case may be determined by the Directorate and all taxes and duties shall be extra.

(l) 'Items/Services' means the goods/services manufactured /provided by Micro and Small Enterprises which the contractor has agreed to supply/service under the Rate Contract which can not be tendered by the State Govt. Department & Agencies under the control of the State Government. In case any Government Department/Agencies invites tender for the rate contract items/services the DEPM shall have the power to cancel such tenders.

(m) 'Test' means such tests as are prescribed or considered necessary by the Director or the Inspecting Officers to be done in the Testing Laboratory of the Directorate as well as such other authorized laboratories in and outside the State of Odisha to ascertain the quality/ standard of product/service.

(n) Terms and expressions not herein defined shall have the meanings assigned to them in the Sale of Goods Act, 1930 or the Indian Contract Act, 1872 or the General Causes Act, 1897 as the case may be.

(o) 'Micro and Small Enterprises' means Micro and Small Enterprises registered as such with any of the District Industries Centres (DIC) of the State under the Directorate of Industries of Govt. of Odisha.

## CHAPTER - II

4. (i) To provide marketing support to Micro & Small Enterprises (MSEs) of the State in Govt. procurement Rate Contract system has been stipulated in Para 13.1 of IPR 2007 and Para 7.2(b) of Odisha MSME Development Policy 2009. Any Goods or Services for which subsisting rate contract exists shall be mandatorily procured following the rate contract system and shall not be procured by any other means.

(ii) List of goods and services to be reserved for procurement from MSEs via rate contract system shall be prepared by Director, E.P. & M. taking into account the quantity and quality of goods being manufactured and services being provided by the local MSEs and the requirement of Government Departments and Agencies under their control. The Purchasing Organisations under concerned Departments of State Govt. shall furnish a details list of items i.e. goods/services to be brought under the purview of rate contract system by Director, E.P. & M.

(iii) Rate Contract in respect of specific store items/services not in the exclusive list and manufactured/provided by the local MSEs shall be finalized by the Directorate of Export Promotion and Marketing on the basis of competitive offers/tenders called from them. The State Govt. Departments and Agencies under the control of the State Govt. shall purchase the rate contract items and avail services from the rate contract holding micro and small enterprises at the rate contract price without inviting tender.

The Rate Contract items/services against which rate is fixed by Director, E.P. & M. can not be tendered by the agencies/organizations under State Government. Rate Contract items/services shall not be included in the composite tender without prior approval of Secretary MSME on recommendation of Director, E.P. & M.

## **5. SELECTION OF THE ITEMS/SERVICES FOR RATE CONTRACT**

The main criterion for selecting any item/service for rate contract shall be :-

(i) The item/service is in repetitive demand and is in common use and its price is not subject to frequent market fluctuations.

(ii) If the annual requirement of any stores / services is not of substantial quantity and value, such stores / services may not be selected for rate contract. The minimum requirement of stores / services shall not be less than Rs.2,00,000/- per annum in the Government sector.

(iii) If any goods / services are found obsolete or no more in demand, it may be eliminated / excluded from rate contract duly approved by the Govt. in MSME Department after consultation with the stakeholders of the goods / services.

(iv) The selection of store / service for rate contract shall be examined and recommended by a Sub-Committee consisting of Director as its Chairman, Representative of Director of Industries, Odisha, Cuttack as its Member, Representative of OSIC Ltd., Cuttack as its

Member, Representative of the Purchasing Department as its Member and Deputy Director (Marketing) Office of the DEP&M, Odisha as its Member-Convener vide Industries Department Notification No.I-SI-80/2007/IND-17045, dt.19.11.2009. The selection of store(s)/ services shall be made from among the Micro and Small Enterprises located in the State and registered with the Directorate of E.P. & M.

In addition to the above one representative of Industries Association on rotation basis shall be members of the Sub-Committee for selection of items for Rate Contract.

6. (i) In order that the stores/ services selected for rate contract conform to quality specifications, the raw materials, machineries, equipments and the manufacturing process of the stores etc. as deemed necessary, shall be inspected by Inspecting Officers and incase of stores the same shall be tested in the laboratories of the Directorate, and/or other authorized laboratories in or outside Odisha in case test facilities are not available in the laboratories of the Directorate. The Store(s) in general shall conform to IS specifications. Where however, there is no ISI specification laid down, the store(s) may conform to the standards as may be specified by the Indenting Officer, Exemption from test shall not be allowed to any store(s) in cases where standard or quality specifications are not available, such stores/ services shall not be allowed registration under the Directorate and such store(s)/ services shall not be selected for Rate Contract.

(ii) Director shall cause testing and inspection of any registered MSEs, if any complaint is received against any such MSE, or as and when the Director feels the testing and inspection is necessary to ensure quality.

(iii) Rate Contract shall be refused by the Director of any Micro and Small Enterprises where specifications / the result of the tests do not conform to the minimum quality / standard.

(iv) All samples drawn for test shall be supplied by the contractor free of cost and transported to the specified laboratory at the contractor's cost. It shall be obligatory on the part of the Micro and Small Enterprises to submit the required sample(s) for the testing purpose along with the required testing fees to the concerned laboratories of the DEP&M within 15 (fifteen) days from the date of the drawal of the sample(s) by the Inspecting Authority of the Directorate.

(v) To protect the interests of Micro and Small Enterprises, two sets of samples shall be simultaneously drawn and sealed as prescribed. One set will be retained by the Micro and Small Enterprises and the other set will be sent to Specified Laboratories for tests. In case of any dispute or for the purpose of supervision or otherwise, the samples preserved in the MSE will be utilized. Samples preserved in Micro and Small Enterprises shall not be destroyed without prior approval of the Director.

(vi) The test report of the laboratory shall be final and binding on the contractor, unless otherwise contested by the contractor within 15 days of receipt of test report before the Director.

## CHAPTER - III

### PROCEDURE FOR ENTERING INTO RATE CONTRACT

7. (i) The Director shall, upon selection of store(s) for Rate Contract, issue notices to the Micro & Small Enterprises to offer their price claimed as per Cost Analysis Report, vide Schedule III. Offer Notice shall be issued by the Directorate before 3 (three) months of the expiry of one year from the date of issue of original Rate Contract.

(ii) There shall be a Cost Committee comprising (a) Joint Director (Inspection) as its Chairman, (b) Joint Director (Rate Contract), (c) Deputy Director (Marketing), (d) Deputy Director (Statistics), (e) Representative of Director of Industries, (f) Representative of major purchasing Organisations, (g) Financial Advisor of major purchasing departments, (h) Representative of three Apex Micro & Small Enterprises Associations as members with (i) Deputy Director (Costing) / Assistant Director (Costing) as its Member-Convener, to aid and advise the Director, to arrive at a reasonable price for the purpose of Rate Contract. In absence of Joint Director (I) any other Joint Director on approval of Director shall be the Chairman and one technical officer in the rank of Assistant Director (Inspection) will be co-opted as Special Invitee. The Committee shall meet as often and frequently as may be deemed necessary. In the absence of any member, the rate contract will be concluded provided there is a quorum. The quorum shall be majority of the membership of the Committee.

(iii) Upon selection of an item for conclusion of Rate Contract, the Apex Associations representing the Micro & Small Enterprises of the State shall be intimated by the Directorate to disseminate the said information to their member units requesting them to submit their offer/tender to the Directorate. The Offer Notice/Tender Notice shall also be placed in the Directorate's Website ([www.dep morissa.gov.in](http://www.dep morissa.gov.in)). Offers/Tenders shall be submitted by the Offerers/Tenderers within 30 days of the date of inviting offer/tender notice with all required documents as prescribed and complete purchase vouchers of the raw materials and audited/C.A. Certified Annual Balance Sheets & Profit and Loss Accounts of the previous financial year, failing which the offer/tender shall be summarily rejected. Rate contract shall be concluded on receipt of minimum three valid offers. In case of less than three tender/offer are received, rate contract for the item can be concluded if there is a valid DGS&D rate contract for price comparison or on the basis of costing rate and market rate collected by the DEP&M.

Any MSE which does not participate in the tender/offer despite having valid EP&M Registration and/or does not submit complete relevant documents along with tender/offer shall not be eligible for the Rate Contract and the Parallel Rate Contract during the validity period of the said Rate Contract. In case of genuine problems disabling the participation of the MSE in the offer/tender, the Director may consider the genuineness on receipt of appeal from the concerned MSE. The offer/tender shall be accompanied by an application fee of Rs.1000/- in the form of Treasury

Challan under the head “1475-Other General Economic Services-104-Receipt from Certification, Marking & Testing Fees-0014-Collection of fees-02186-fees” realized from Certification, Marking and Testing/Bank Draft of any Nationalized Bank drawn in favour of Director, Export Promotion & Marketing, Odisha, Bhubaneswar payable at Bhubaneswar. The Service Tax as applicable shall be deposited in cash only.

OR

The Online collection of application fees for rate contract i.e. Rs.1000/- from the tenderer/ offerer will be deposited by DEP&M through Treasury Challan in the respective Head of Account.

8. (i) The rate to be quoted by the offerer/tenderer shall be lowest workable rate(s) on ex-factory/FOR basis/at worksite basis as the case may be acceptable to the tenderer/offerer per unit as may be stipulated by the Director and shall specifically indicate whether the rates are inclusive or exclusive of duties and taxes, as applicable.

(ii) The prices offered by the Micro & Small Enterprises shall be compared with the open market prices of reputed manufacturers/service providers/reputed brand and/or the rate contract price of the Director-General of Supplies and Disposal, if any for the purpose of analysis and workability of rate(s) taking into consideration the Cost Analysis Report in case of manufacturing items and market rate in case of service items. The Director shall cause assessment of the cost of the store item on the basis of the lowest current raw materials rate(s) as per the current purchase bills submitted by the Offerers/tenderers and market rates of raw materials collected by the Directorate. Overhead cost shall be calculated on average basis subject to all the majority Offerers/ tenderers submitting their latest audited balance sheets failing which the lowest overhead cost shall be considered for finalization of rate. EPM rate contract for store items should be aligned with DGS&D rate contract for the same goods with similar specifications. In any case, the difference between EPM rate contract and DGS&D rate contract should not exceed 5% for such store items.

As an encouragement to promote quality, local Micro & Small Enterprises having ISO or ISI Certification for their product shall get an additional price preference of 3% as per provisions of IPR 2007 over and above the rate fixed in the rate contract.

Any usual high or low price offered without any reasonable co-relation with market rate, supporting raw material vouchers and/or any unholy alliance or curtail to affect the price structure will be liable for rejection.

(iii) The Director shall cause cost analysis of the store items within a period of 45 days from the date of receipt of offers/tenders subject to submission of complete current raw material bills and other prescribed documents by the offerer(s)/tenderer(s). This time period includes scrutinization of tender/offer documents, costing & finalization of rate through cost committee meeting.

(iv) The price so determined by the Director shall be communicated to the Micro & Small Enterprises the rate contract will be concluded with the willing MSEs.

(v) In case the Micro & Small Enterprises refuse(s) to accept the price, the request of the contractor for rate contract at the same price on subsequent occasions during the currency of contract shall not be entertained. Where for any item almost all the rate contract holders fail to give their consent since the rate is unworkable, the Director shall immediately cause review of the rate recommended by the Cost Committee.

(vi) After determination of the final rate, the contractor shall be asked to give his consent to the price within 15 days from the date of issue of the willingness notice. Any offerer/tenderer who has not submitted willingness within 15 days of the date of issuing willingness notice, shall not be eligible for rate contract as well as parallel rate contract during the contract period. Failure on the part of the Micro & Small Enterprises to comply within the specified period shall disqualify him/her for rate contract during the period of contract, unless in the opinion of the Director, prevailing conditions have disabled the contractor from submitting his willingness to the rate(s).

(vii) In determining the price the Director and the contractor shall also see that the prices quoted are in conformity with the price control orders either for raw material or finished goods, if any, issued by the Government of India or the State Government from time to time.

(viii) If at any time after fixing the rate, before or after entering into rate contract, it is brought to the notice of the Director by a majority of contractors that the rate so fixed is not workable or that there has been a material error in computing the rate, the Director may cause revision of the said rates after being satisfied that there are valid grounds for the same.

(ix) All offers/tenders shall be submitted in the form prescribed in Schedules I to IV and all the documents submitted with the offer/tender shall be serial numbered and self-attested in each page. Additional papers affixed to the schedules shall be adequately authenticated by the offerer/tenderer. Absence of any document may make the offer/tender liable for rejection.

(x) The person signing the offer/tender documents or otherwise connected with the contract shall mention his official status in respect of the offering/tendering Micro & Small Enterprises and shall furnish authenticated copies of documents in support thereof.

(xi) The offer/tender shall be sent either by registered post to the DEP&M or deposited in the "Offer/Tender Box" or at the receiving counter of DEP&M along with a list of documents submitted with offer/tender. The offerer/tenderer may also obtain receipt in respect of offer/tender submitted.

The tender/offer shall be available in the DEPM website ([www.depmorissa.gov.in](http://www.depmorissa.gov.in)) which can be down loaded and sent either by registered post or deposited in the "Offer Box/Tender Box" or at the receiving counter.

(xii) Tenders/Offer received after the date fixed by the Director shall not be considered. Provided further that if the last date fixed for receipt of tenders/offers happens to be a holiday, the next working day shall be deemed to be the date for receiving the tender/offer.



(xiii) Tenderers/Offerers or their authorized representatives may remain present at the time of opening of tenders/offers.

(xiv) No rate contract will be concluded if valid Value Added Tax (VAT) Clearance Certificate, valid EP&M Registration Certificate and DIC certificate incorporated with Annual Production capacity for the store item, duly attested by Gazetted Officer/self attested have not been submitted at the time of giving consent to the rate. In case of servicing units copy of service tax registration certificate issued from Central Excise & Customs Department duly attested by a Gazetted Officer shall be mandatory. It is mandatory for all rate contract holders to submit VAT clearance certificate and service tax registration certificate as applicable by 31<sup>st</sup> May of every financial year to maintain a data base in the Directorate for reference at the time of award of rate contract.

(xv) The Micro & Small Enterprises whose rate contract/parallel rate contract expires during the contract period due to invalidation of EP&M registration/BIS Licence may avail extension of rate contract on request without any further fees for the remaining period after renewal of EP&M registration certificate, for the unexpired period of the existing rate contract.

(xvi) The period of submission of offer notice, cost analysis and submission of willingness has been stipulated as 30 days, 45 days and 15 days respectively. However, Director shall have the power to reduce/enhance the period of submission of offer notice, cost analysis and submission of willingness case-to-case basis depending on the type of the store/service for rate contract and number of MSEs registered with DEP&M.

## **9. REVISION OF RATE**

(i) The Director shall have the power to enhance or reduce the price of a item/services if during the period of the contract, the cost of manufacture of the store item/service has undergone substantial change on account of change in the price of raw material or other components of manufacturing/servicing.

(ii) In case where the prices of certain raw materials are regulated by Government of India or State Government, the Director shall have the power to change the prices of the stores/services covered by the contract incorporating the change in the prices of raw materials as effected by Government of India or State Government.

(iii) It shall be the duty of the contractor to intimate the Director about changes in the prices of raw materials and other components of servicing/manufacturing during the period of contract which might result in change in the final price in either direction.

Failure to furnish this information to the Director shall amount to breach of conditions of contract on the part of the contractor. The Director shall take necessary action for revision of rate when minimum 30% of the rate contract holders intimate the Director about the changes in the price of the raw materials and other components supported with purchase vouchers and their fresh offer price.

The Director shall also monitor the market price of the product/service covered under rate contract along with their raw materials through its Statistical Wing/other State and Central Government Agencies and cause revision of rate downward/upward as and when necessary.

Director may also cause inspection of some of the MSEs who are major suppliers of rate contract items/service providers for verification of current raw material purchase vouchers etc.

The contract shall be drawn up and communicated to the contractor in the form at Schedule-V.

(iv) All Indenting Officers of Government Departments/Agencies shall intimate their annual requirement of store items/services to the DEPM by 31st May of every year.

## **10. PARALLEL RATE CONTRACT**

The Micro & Small Enterprises registered with the Directorate after issue of the original rate contract may be allowed parallel rate contract for the services/items at the contractual price for the unexpired period of the existing rate contract.

The Directorate of E.P.M. would notify only one original Rate Contract and all subsequent Rate Contract Circulars for the same shall be parallel in nature. For parallel Rate Contract, submission of vouchers and costing is not required. Any MSEs holding valid Registration with the Directorate as on the date of tender/offer notice which did not participate in the tender/offer, shall not be eligible for Parallel Rate Contract. However, in case of genuine problems disabling his participation in the offer/tender, he may appeal to the Director for consideration.

Application for Parallel Rate Contract shall be submitted in prescribed form (Schedule-VI) with required documents and application fees of Rs.1500/- (Rupees one thousand five hundred) only to be paid in shape of Treasury Challan under the head "1475-Other General Economic Services-104-Receipt from Certification Marking & Testing Fees-0014-Collection of fees-02186 fees" realized from Certification Marking and Testing/Bank Draft of any Nationalized Bank drawn in favour of the Director, Export Promotion & Marketing, Odisha, Bhubaneswar payable at Bhubaneswar. Parallel rate contract to eligible MSEs shall be granted within 15 days of application.

## **11. CONDITIONS OF CONTRACT**

(i) A person submitting the tender/offer and/or signing the contract shall be normally the Proprietor/Managing Director/Managing Partner of the Micro & Small Enterprises or a person holding registered power of attorney from the management of the firm.

(ii) All changes in the constitution of the firm/company done in pursuance of the relevant laws in force shall be intimated by the contractor to the Director and the contract shall be amended accordingly, if necessary. Failure to do so shall result in cancellation of the rate contract.

(iii) If the contract is not cancelled as provided in sub-clause (ii) above notwithstanding the change, the Micro & Small Enterprises shall continue to be liable under the rate contract for acts of the firm until action is taken under these rules.

(iv) The contract may contain a clause prescribing a time schedule for delivery of the stores/ providing service of specific monetary value. The time schedule shall be so drawn up as to allow the contractor reasonable time to supply the store and to undertake the services :

Provided that in emergent cases the period delivery of stores/services may be mutually settled between the Indenting Officer and the Contractor :

Provided further that in case of disputes between Indenting Officer and the contractor regarding the period of delivery, the decision of the Director shall be final.

(v) The contractor shall in no event sell the store/provide service covered under contract with the same specification at a price different from the contractual price to the Indenting Officer.

## **12. DESPATCH OF STORE ITEMS**

(i) Packing- The contractors shall be held responsible for adequate safe and proper packing of the stores if the stores are to be transported by rail/road or by any other means of transport so as to prevent loss or damage in course of transportation or on arrival at the destination.

(ii) The transportation charge is applicable to each supplier as per the schedule rate of Commerce & Transport Department, Govt. of Odisha.

(iii) All supplies of items against rate contract shall be on ex-factory basis. In case of any dispute, the matter shall be referred to the Director and the decision of the Director shall be final.

(iv) It shall be the responsibility of the contractor to deliver the stores in good condition and within schedule delivery period. Any damage or deficiency noted in the supplies made shall be intimated to the contractor within a period of 15 days from the date of receipt of the goods and shall be made good by the later within a period as may be reasonably specified by the Indenting Officer, failing which the Indentor may make good the deficiency and get the expenditure recovered from the contractor. Any amount payable by the contractor shall be recoverable as a public demand under the Odisha Public Demand Recovery Act, 1963.

## **13. PAYMENT**

(a) The Indenting Officer shall make immediate payment of the dues payable to the Supplier against supplies made under the rate contract. Payment should be made within 45 days from the date of receipt of stores failing which interest on Delayed Payments according to Micro Small & Medium Enterprises Act, 2006 shall be enforced for realization of their dues.

## 14. INSPECTION

(i) The Inspecting Officer authorized by the Director shall have the power to inspect the Micro & Small Enterprises and their store items, manufacturing process, purchase vouchers relating to the store items as may be necessary. It shall be the duty of the contractor to provide all facilities for inspection. Such inspections shall be with prior intimation to the unit unless the inspection is required to be a surprise inspection. The Inspecting Officers are empowered to inspect any documents relevant for inspection.

(ii) If no complaint is received within 15 days of receipt of the consignment by the Indenter, it would be presumed that the stores are upto standard.

(iii) Pre-delivery inspection of stores can also be done by the Inspecting Officers or jointly by the Inspecting Officers and the Indenting Officer(s) or his authorized representative(s) at the specific request of the Indenting Officer on payment of a fee @ 0.5% of the order value and Service Tax admissible from time to time as approved by the Government. Accordingly the fees will be paid by the unit at the first instance in shape of Demand Draft from any Nationalized Bank payable to Director, EP&M, Odisha, Bhubaneswar before conducting Pre-delivery inspection. The fees so paid will be reimbursed to the MSEs by the Indenting Deptts./Offices later on.

OR

Pre-delivery inspection fees will be collected Online/electronically in the Bank accounts of DEP&M.

(iv) If pre-delivery inspection is a condition of supply order, it shall be the duty of the contractor to inform the Director for inspection well in time and prior to despatch and that such PDI shall be completed within 21 days of the request by the rate contract holder. Any delivery of stores without "Certificate of Inspection" will be a contravention of contract. The Indenting Officer or Director may reject the delivery.

(v) In case of dispute regarding the standard and quality of the store, the matter may be referred to the Director by either party who shall settle the matter with reference to the stipulated standard specifications or quality requirements.

(vi) The mode of payment of dues payable to the supplier against supplies made under rate contract will be done electronically in the Bank account of the supplier instead of Cheque/Draft.

(vii) If pre-delivery inspection is not a pre-requisite for delivery of stores, the Indenting Officer can requisition the services of Inspecting Officers of the Directorate of Export Promotion & Marketing for inspection prior to delivery of stores. Any stores supplied against express instruction of Indenting Officers for pre-delivery inspection are liable for rejection.

(viii) The contractor shall be responsible for all loss, destruction, damage or deterioration of or to the stores, from any cause whatsoever while the store(s) after inspection are awaiting despatch or delivery or in the course of transit.

(ix) No routine inspection shall be conducted by the Directorate unless a specific complaint is received against the Micro & Small Enterprises.

(x) Post Delivery Inspection of goods and services covered under rate contract can also be conducted by the Directorate of Export Promotion & Marketing on receipt of request from purchasing organization along with Inspection Fees @ 0.5% of the value of the goods/services to be inspected.

## **15. CANCELLATION OF CONTRACT**

(i) The Director shall have the power to cancel/suspend/revoke the contract during its currency if the contractor has violated any of the conditions of the contract as stipulated in these rules. Before cancelling/suspending/ revoking the rate contracts, show cause notice may be issued and at least one personal hearing be granted to the affected contractor, if he so desires.

(ii) The Director may also suspend/cancel the contract at any time for any of the following reasons :-

(a) If the management of the Micro & Small Enterprises is found guilty of malpractices like bribery and corruption;

(b) Where the Partners/Officers/Representative of the Micro & Small Enterprises are convicted for offences involving moral turpitude in relation to business dealings or security considerations or loyalty to the State or criminal offences and for insolvency declared under the due process of law :

Provided that the contractor shall be given adequate opportunity by the Director to show-cause and explain his position before suspension/cancellation of the contract is ordered.

(iii) The Director may at his discretion, depending on the gravity of the offence, shall have the power to suspend the contract till final disposal of the case.

(iv) If the offence is sufficiently grave in the opinion of the Director, a contractor can be banned from business dealings with the Government Departments and Agencies under their control subject to prior approval of the Secretary, MSME Department, Govt. of Odisha.

**16. SETTLEMENT OF DISPUTES** In the event of any dispute between the Indenting Officer and the contractor, the matter shall be referred to the Director by either of them and the decision of the Director shall be final and binding on both parties.

**17.** State Government Departments and Agencies under the control of State Government shall purchase rate contract items from the rate contract holding Micro & Small Enterprises at the price fixed without inviting tenders. No tender shall be invited by the State Government Departments and Agencies under the control of State Government for the store items under rate contract having the same name and style with nomenclature or with minor modification of the specifications. Government Departments and Agencies under the control shall purchase the stores having valid rate contract at the rates so fixed in the rate contract and from the valid rate contract holding MSEs.

Matters regarding floating of such tenders brought to the notice of the Director by the contractor or by the Apex Associations shall be immediately taken up by the Director with the Indenting Department for cancellation of such tenders and the Indenting Department shall cancel such tenders forthwith.

### **18. GRIEVANCE COMMITTEE**

There shall be a Grievance Committee consisting of Director, EPM, Joint Director (Inspection), Joint Director (Marketing), Joint Director (Rate Contract) along with representatives of Apex State Level Micro & Small Enterprises Associations in order to look into the problems of registered MSEs. The Committee shall preferably sit once in a month.

**19.** The offers, tenders, willingness letters and rate contracts shall be signed by an officer not below the rank of Assistant Director.

### **20. GENERAL CONDITIONS OF RATE CONTRACT**

(i) The contractor shall manufacture the store(s) in his factory premises as per standard/ quality specifications set forth in Statement 'A' of the rate contract circular.

(ii) Supply orders may be placed by Indenting Officers on or before the last date of the contract. Supply orders placed during the closing dates of the contract shall be complied within due course in accordance with the terms of the contract even though in some cases store(s) cannot be manufactured and supplied within the last date of the contract. In case of such supplies, the prices stipulated in the contract as on the date of issue of the supply order shall be enforceable.

(iii) The contractor shall supply store(s) prescribed in Statement 'A' from time to time in such quantities as may be specified in the indents of the Indenting Officer at the rates set forth in Statement 'A'.

(iv) The Indenting Officer shall specify reasonable time for delivery of stores keeping in view the approximate time to be taken by the contractor to manufacture the store(s). In emergent cases, however, the period delivery shall be mutually decided by the Indenting Officer and the contractor but emergent indents should be restricted to the minimum.

(v) In case the contractor fails to execute the order within the prescribed/mutually agreed time schedule liquidate damage @ 0.5 per cent per week of the value of the quantum of materials involved in the delay subject to maximum 2.5 per cent shall be realized from the contractor by the Indenting Officer from the bill.

(vi) The contractor shall acknowledge the supply orders received from the Indenting Officer within seven days from the date of receipt of the order.

(vii) The contractor shall be responsible for adequate and proper packing of the store(s) and insurance in order to ensure safe delivery without damage. The mode of transport of freight thereof and insurance coverage may be mutually decided by the Indenting Officer and the contractor.

(viii) While it shall be the responsibility of the contractor to manufacture and supply the store according to the standard specifications set forth in Statement 'A', it shall be the responsibility of the Indenting Officer to verify and ensure the quality of the store(s) at the time of delivery. If in the opinion of the Indenting Officer any consignment of store(s) does not conform to the standard specifications set forth in Statement 'A' he shall segregate the store(s) and report to the contractor within fifteen days under intimation to the Director. In case of rejection of store(s) by the Indenting Officer on grounds of quality, the contractor shall make good the shortfall within the period as may be reasonably specified by the Indenting Officer failing which the Indenting Officer may make good the deficiency and get the expenditure recovered from the contractor. The amount shall be recoverable from the contractor as a public demand under the Odisha Public Demand Recovery Act, 1963.

The Director may also cause an inspection of the store(s) and the manufacturing process and may have the stores tested in any of the laboratories under the Directorate or in any authorized laboratory in or outside the State of Odisha. If any dispute arises in this regard, the decision of the Director in the matter shall be final.

(ix) Pre-delivery inspection of store(s) if stipulated as a condition of supply order may be done by the Inspecting Officers of the Directorate and the Indenting Officer or his authorized representative singly or jointly and if necessary, samples of the store(s) may be collected at random from the consignment and tested in any of the laboratories of the Directorate or any authorized laboratories in and outside State of Odisha.

(x) The manufacturing unit of the contractor may be inspected by the Inspecting Officers of the Directorate as and when desired by the Director. The Indenting Officer shall also have the power to inspect the materials during the process of manufacture by himself or through an officer authorized by him.

(xi) Cases of delay in executing orders by the contractor for three occasions or more without sufficient and valid reasons shall be considered as violation of the contract.

(xii) The contractor shall in no event offer store(s) covered under rate contract or store(s) of identical description at rates other than stipulated in Statement 'A'.

(xiii) If at any time during the period of contract, the cost of production of the store reduces or increases due to change in the price of raw materials or any other components of manufacture the contractor shall forthwith notify such change to the Director who shall take immediate steps to revise the rates and such revision shall not have retrospective effect.

(xiv) The prices indicated in Statement 'A' are exclusive of excise duty, VAT and other taxes, if any. Excise duty and surcharge thereon shall be allowed to the contractor over and above the rate fixed on the basis of actual payment made by the contractor to the Excise Authorities. VAT and other taxes where applicable shall be paid by the Indenting Officer over and above the specified rates.

(xv) Payment—The Indenting Officer shall make immediate payment of the dues payable to the supplier against supplies made under the rate contract. Payment should be made within 45 days from the date of receipt of the stores failing which "Interest on Delayed Payment to Micro, Small & Medium Enterprises Act, 2006" shall be enforced for realization of their dues.

(xvi) Besides maintaining the profit and loss account and balance sheet, the contractor shall also maintain a manufacturing register and purchase and sales register for verification by the Director or any other officer authorized by the Director. The Director reserves the right to conclude rate contract/parallel rate contract or similar store(s) with other Micro & Small Enterprises.

(xvii) The contractor shall not sublet or assign this rate contract to third party.

(xviii) Any change in the management of the Micro & Small Enterprises shall be notified to the Director within one month from the date of change.

(xix) In the event of dispute or difference arising from this contract, reference shall be made by either of the parties to the Director and the decision of the Director shall be final and binding on the parties.

(xx) The Director shall have the power to cancel a contract and deregister the contractor in the event the registration with DIC/Director of Industries is cancelled for any reason.

(xxi) In the event of any breach of the agreement at any time on the part of the contractor, the contract shall be determinable summarily by the Director. The Director shall also have the power to cancel or determine the contract and deregister the contractor in the event of any improper conduct of the contractor. Such action of the Director shall not entitle the contractor to any compensation.

(xxii) The Law Courts at Bhubaneswar only shall have the jurisdiction to decide any dispute arising out of or in respect of this contract.

(xxiii) In addition to the above the Director shall have the power to waive any condition or add any additional terms or conditions either for a particular MSE or item/service or for a category of MSEs or items/services or in respect of any contract.



## SCHEDULE — I

**GOVERNMENT OF ODISHA, MSME DEPARTMENT**  
**DIRECTORATE OF EXPORT PROMOTION AND MARKETING, ODISHA**  
**BHUBANESWAR**

**OFFER No./ TENDER No.**

**Schedule of offer/tender**

1. Time and date of receipt of **offer/tender** in the office of the undersigned.
2. Time and date of opening of **offer/tender**

In case the date of opening of **offer/tender** is declared a holiday for Government offices, the date of opening will be the following working day :—

| Item<br>Sl.<br>No. | Description<br>of store<br>items/services | Specification<br>if any | Ex-factory rate/<br>For rate/service<br>at site rate (in<br>words and figures) | Taxes extra<br>should be<br>specified | Period<br>for which<br>price is<br>valid |
|--------------------|---|-------------------------|--|---------------------------------------|--|
| 1                  | 2   | 3                       | 4  | 5                                     | 6  |

**Signature with seal of the Offerer/Tenderer**

## SCHEDULE — II

**MATERIAL ANALYSIS REPORT**  
**(FOR MANUFACTURING ITEM)**

- (a) Raw material required to manufacture one unit of the finished product
- (b) Utilities required to manufacture one unit of the finished product
- (c) Wastage during the process of manufacture at different stages
- (d) Labour required to manufacture the products at different stages of manufacturing process
- (e) Packing materials required
- (f) Process of manufacture in brief, and machines utilized for this purpose with their capacity.

**Signature with seal of the Offerer/Tenderer**

## Schedule - III

**COST ANALYSIS REPORT**  
**(FOR MANUFACTURING ITEM)**

1. Name and address of the MSE with Registration No. of the E.P.M.
2. Cost sheet for (store item for which rate contract sought) including the IS No.
3. Rated/installed capacity

| <u>Name of the item</u> | <u>Quantity</u> |
|-------------------------|-----------------|
|-------------------------|-----------------|

(a)

(b)

(c)

4. Practical capacity

(a)

(b)

(c)

5. Actual production for the last three years; in case the rate contract holder is producing different products the rated capacity, practical capacity and actual production of each product should be given separately.

6. Direct materials

| Serial No. | Name of the material | Unit rate as per statement enclosed vide annexure | Quantity required for one unit of finished product | Amount |
|------------|----------------------|---|--|--------|
| (1)        | (2)                  | (3)   | (4)  | (5)    |

a)

b)

c)

d)

e)

Add for wastage, if any

Deduct sale value of the wastage

Cost of material per unit of finished product

## 7. Direct labour

(Wages includes C.P.F., E.S.I. Bonus and other fringe benefits admissible under law. The method of estimate or actual to be mentioned)

(Reference to Vr. No. Wage Bill reg., P/L Account)

*N.B.*— Quantity required for one unit may include the wastage or wastage can be shown separately as given above.

## 8. Overhead expenses : As per detailed statement enclosed in Table-A

## 9. Packing expenditure

a) Primary packing

b) Packing for forwarding

## 10. Profit

## 11. Sales Price

## 12. Sales price claimed

## 13. Average sales price of the product during last 6 months

**Total sales price**  
**Total quantity sold**

**Average price per unit**

## Definitions:

Rated capacity — The installed capacity of the factory

Practical capacity — This represents rated capacity loss, loss of capacity due to unavoidable internal interruptions such as time lost for repairs, breakdowns, set-ups, unsatisfactory raw materials, delay in getting raw materials, labour shortage and absenteeism, Sunday and holidays, etc. Practical capacity does not consider the external cause, such as lack of customer's orders.

Direct materials— All the materials that form an integral part of the finished product and that can be included directly in calculating the cost of the product.

Direct labour— Labour expended directly upon the materials comprising the finished product.

Overhead— Sum total of the :

- (d) Factory expenses
- (e) Office and administrative expenses
- (f) Research and development expenses

## TABLE – A

**(FOR MANUFACTURING ITEM)**  
**STATEMENT SHOWING OVERHEAD EXPENSES FOR**  
**PRODUCTION OF ..... UNITS PER MONTH/YEAR**

| <b>(A) Factory expenses</b>                                      | <b>Amount</b> | <b>Reference to manufacturing in A/C or other estimates.</b> |
|--|---------------|--|
| (i) Consumable materials and supplies                            |               |  |
| (ii) Indirect labour supervising staff                           |               |  |
| (iii) Depreciation of machineries<br>(as per Table 'B' enclosed) |               |  |
| (iv) Depreciation of building (as per<br>Table 'B' enclosed. )   |               |  |
| (v) Depreciation of tools and equipments                         |               |  |
| (vi) Rent, Rates and Taxes<br>(as per Table 'B' enclosed)        |               |  |
| (vii) Electricity charges  |               |  |
| (viii) Power charges   |               |  |
| (ix) Factory insurance   |               |  |
| (x) Repair and maintenance                                       |               |  |
| <b>(B) Office and administrative expenses</b>                    |               | <b>Reference to P.L.A/C or other estimates enclosed</b>      |
| (i) Salary of the Director                                       |               |  |
| (ii) Salary of the Manager                                       |               |  |
| (iii) Salary of the Office/Staff                                 |               |  |
| (iv) Bonus paid to staff   |               |  |
| (v) E.S.I. contribution  |               |  |
| (vi) C.P.F. contribution   |               |  |
| (vii) Bank commission  |               |  |
| (viii) Interest  |               |  |
| (ix) Postage, telephone and telegram's                           |               |  |
| (x) Travelling expenses  |               |  |
| (xi) Legal expenses  |               |  |
| (xii) Electric charges   |               |  |
| (xiii) Water charges   |               |  |
| (xiv) Audit fees   |               |  |
| (xv) Depreciations (as per schedule enclosed)                    |               |  |
| (xvi) Research and development expenses                          |               |  |
| (xvii) Printing and Stationery                                   |               |  |
| (xviii) Rent, Rates and Taxes                                    |               |  |
| (xix) Other miscellaneous expenses                               |               |  |
| <b>Total – Overhead expenses</b>                                 |               | <b>Total – Overhead expenses</b>                             |

**TABLE – B**  
**(FOR MANUFACTURING ITEM)**

Name and address of the firm :

Statement showing depreciation calculation  
on fixed assets.

| Serial No. | Number of the asset | Total value of the assets | Rate of depreciation | Amount | Reference to Balance sheet other record if any |
|------------|---------------------|---------------------------|----------------------|--------|--|
| 1          | 2                   | 3                         | 4                    | 5      | 6  |

- 1 Plant and Machinery
- 2 Factory Building
- 3 Electrical Installation
- 4 Roads and Culverts
- 5 Tools and Equipments
- 6 Laboratory equipments
- 7 Library equipments
- 8 Administrative Building
- 9 Furniture

SCHEDULE – IV

**PERFORMANCE APPRAISAL REPORT**

1. Year (Last three years)
2. Whether previous a rate contract holder
3. Quantity produced / **Service provided**
4. Quantity sold / **Service provided** to Government, Government Undertakings and Semi-Government Organizations (mention both with details)
5. Quantity sold / **Service provided** in the private market
6. Rate at which sold / **Service provided**
7. Whether any rejection made for poor quality

**Signature with seal of the Offerer/Tenderer**

## SCHEDULE – V

**GOVERNMENT OF ODISHA, MSME DEPARTMENT  
DIRECTORATE OF EXPORT PROMOTION & MARKETING  
ODISHA, BHUBANESWAR-7**

**Rate Contract No.****Regn. No.****Name of Contractor**

**Whereas** M/s. .... (hereinafter called the contractor) a **MSE** registered with this Directorate has agreed to supply to State Government/Statutory Corporations/Statutory Boards/ State-owned Corporations/ Government Companies/ Universities/ Municipalities/ N.A.Cs./ Regional Development Authorities/ Co-Operative Agencies/ Government Agencies/ State Aided Institutions, specified stores at specified prices.

Now, therefore the Director, Export Promotion & Marketing for and on behalf of the Governor of Odisha (hereinafter called the Director) does hereby award this rate contract in favour of the above named contractor for supply of the store(s) with the specifications and at the rates set forth at Statement 'A' under the conditions stipulated at Statement 'B'.

The contract will remain in force for the period from ..... to ..... unless revoked or new rate is determined earlier than the date of expiry.

Given under my hand and seal this the .....day of ..... 20..

**Director  
Export Promotion & Marketing**

### LIST OF DOCUMENTS TO BE ATTACHED WITH OFFER/TENDER PAPER

1. Application fee of Rs. 1,000 in shape of Treasury Challan under the head, 1475-Other General Economic Services-104-Receipt from Certification, Marking & Testing Fees-0014-Collection of fees-02186 fees realized from Certification, marking and Testing/Bank Draft of any Nationalised Bank drawn in favour of Director, Export Promotion & Marketing, Odisha, Bhubaneswar.
2. Copy of VAT Clearance Certificate duly attested by a Gazetted Officer
3. Copy of valid DIC Regn. Certificate duly attested by a Gazetted Officer
4. Copy of the valid EP & M Regn. Certificate duly attested by a Gazetted Officer
5. Copy of the valid BIS Licence/Drugs Licence wherever applicable duly attested by a Gazetted Officer.
6. Copy of the supporting raw materials purchase vouchers with reference to the cost analysis report.
7. Copy of audited Balance sheet of previous year.

### STATEMENT 'A'

| Serial No. | Description of goods or service | Rate or price | F.O.R./ Ex factory/ Service at site | Terms of Delivery/ Service |
|------------|---------------------------------|---------------|-------------------------------------|----------------------------|
| 1          | 2                               | 3             | 4                                   | 5                          |

**Director**  
**Export Promotion & Marketing**

**FORM OF APPLICATION FOR PARALLEL RATE CONTRACT.**

1. Name and address of the firm
2. Name of Proprietor/Partner/Managing Director
3. DIC PMT Regn. No.
4. EP&M Regn. No.
5. Name of the item / service for which parallel rate contract requested
6. If you were R/C holder earlier, then indicate

| <u>Year</u> | <u>Period of validity</u> | <u>Circular No.</u> |
|-------------|---------------------------|---------------------|
|-------------|---------------------------|---------------------|

7. Has any show cause notice been issued against you during last 6 months? If so, the details.

8. Reasons for not participating in the offer

**9. PERFORMANCE APPRAISAL REPORT**

- (a) Year (Last three years)
- (b) Whether previously a rate contract holder
- (c) Quantity produced / Service provided
- (d) Quantity sold / Service provided to Government, Government Undertakings and Semi-Government Organizations (mention both with details)
- (e) Quantity sold / Service provided in the private market
- (f) Rate at which sold / Service provided
- (g) Quality of the goods/Services provided
- (h) Whether any rejection made for poor quality

**N.B:** Separate sheet if required shall be enclosed.

**Signature & Seal of the Proprietor/  
Managing Director/Partner**